

Kedia Construction Co. Limited



**28th Annual Report
2008-2009**

Board of Directors

Mr. Nitin S. Kedia – Chairman
Mr. Vijay P. Khowala – Wholetime Director
Mr. Murlidhar J. Gupta – Director

Bankers

HDFC Bank Limited

Auditors

Jajodia & Company
Chartered Accountants

Legal Advisors

Narayanan & Narayanan
Advocate & Solicitor

Registered Office

9, Botawala Building, 3rd Floor,
11/13, Horniman Circle, Fort,
Mumbai – 400 001

Corporate Office

Prestige Precinct, 3rd Floor,
Almeida Road, Thane (West),
Thane – 400 601

Registrar & Share Transfer Agent

Sharex Dynamic (India) Pvt. Ltd.
Unit No. 1, Luthra Industrial Premises,
Andheri-Kurla Road, Safed Pool,
Andheri (East), Mumbai – 400 072

NOTICE

NOTICE is hereby given that the Twenty Eighth Annual General Meeting of the **Kedia Construction Company Limited**, the Company will be held at Hotel SHARRANAM, Eastern Express Highway, Service Road, Near New RTO Opp. Ramkrishna Nagar, Thane (W), Thane – 400 604 on Thursday the 16th July 2009 at 12.30 p.m., to transact the following business:

Ordinary Business:

1. To receive, consider and adopt the Audited Profit and Loss Account for the year ended 31st March, 2009 and the Balance Sheet as at that date together with the Reports of the Board of Directors and the Auditors thereon.
2. To appoint a Director in place of Mr. Murlidhar J. Gupta who retires by rotation and being eligible, offers him self for re-appointment.
3. To appoint Statutory Auditor of the Company to hold office from the conclusion of this Annual General Meeting until the conclusion of the next Annual General Meeting and to authorize the Board of Directors to fix their remuneration.

By Order of the Board of Directors

Vijay P. Khowala

Director

Mumbai, the 20th day of June, 2009

Notes:

1. A Member entitled to attend and vote is entitled to appoint a proxy to attend and vote instead of himself and the proxy need not be the member of the Company. Proxies, in order to be effective must be received at the Company's Registered Office not less than 48 hours before the meeting. Proxies submitted on behalf of limited Companies, societies, partnership firms etc. must be backed by appropriate resolution / authority as applicable, issued on behalf of the nominating organization.
2. Members are requested to bring their Attendance Slip along with their copy of Annual Report to the Meeting.
3. Members who hold shares in dematerialised form are requested to write their Client ID and DP ID and those who hold shares in physical form are requested to write their folio number in attendance slip in attending the Meeting.
4. Incase of Joint holders attending the Meeting, only such joint holder who is higher in the order of names will be entitled to vote.
5. The Company's Register of Members and share transfer books will remain closed from 9th July, 2009 to 16th July, 2009 both days inclusive.
6. As per the provisions of the Companies Act, 1956, facility for making nominations is available to the shareholders in respect of the shares held by them. Nomination forms can be obtained from the Share Registrar of the Company.
7. Shareholders desiring any information as regards the Accounts are requested to write to the Company at an early date so as to enable the management to keep the information ready at the meeting.

By Order of the Board of Directors

Vijay P. Khowala

Director

Mumbai, the 20th day of June, 2009

Directors' Report

To,

The Members,

Your Directors have pleasure in submitting the 28th Annual Report on the business and operation of the Company along with the Audited Accounts for the financial year ended 31st March, 2009.

Financial Result

The performance of the Company for the financial year ended 31st March, 2009 is summarized below:

Sr. No.	Particulars	Rupees	
		Current Year	Previous Year
a.	Total Income	9,219,502	73,007
b.	Total Expenditure	5,729,852	43,453
c.	Profit before depreciation	3,489,650	29,554
d.	Profit before Taxes	3,472,480	8,591
e.	Tax Expenses including FBT & Deferred Tax	509,226	4,542
f.	Profit after Taxes	2,963,254	4,049
g.	Add : Balance brought forward from previous year	(2,728,063)	(2,732,112)
h.	Amount available for appropriation	235,191	Nil
i.	Proposed Dividend (Including tax) on Equity Shares	Nil	Nil
k.	Net Balance carried to Profit & Loss Account	235,191	(2,728,063)

Dividend

In the light of the slowing down of the Indian Economy and challenging business prospect ahead of the Company, your Directors do not recommend any dividend.

Operating Result and Profit

The Company has an income aggregating Rs. 92.20 Lacs as against Rs. 0.73 Lacs in previous year. The Profit before taxes in the current year is Rs. 34.72 Lacs as against Rs. 0.09 Lacs in the previous year and profit after taxes are Rs. 29.63 Lacs as against Rs. 0.04 Lacs in the previous year.

Future Outlook

The Company is planning to enter into the field of infrastructure projects in construction through its associate and subsidiary Companies and hence optimistic to achieve better result in the future.

Fixed Deposit

During the year under review, the Company has not raised any funds by way of fixed deposits and, as such, no amount of principal or interest was outstanding as of the balance sheet date.

Internal Audit System

The Company has in house Internal Audit department commensurate with its nature and size of the Company.

Internal Control System and Its Adequacy

The Company has a proper and adequate internal control system for all its activities including safeguarding and protecting its assets against any loss from its unauthorized use of disposition. All transactions are properly documented, authorized, recorded and reported correctly. The Company has well defined Management Reports on key performance indicators. The systems are reviewed continuously and its improvement and effectiveness is enhanced based on the reports from various fields.

Particulars of Employees

In terms of the provisions of Section 217(2A) of the Companies Act, 1956 and the Companies (Particulars of Employee) Rules, 1975, names and other particulars of the employees are required to be set out in the annexure to this report. However, as per the provisions of Section 219(1)(b)(iv) of the Companies Act, 1956, the Report and Annual Accounts of the Company sent to the shareholders do not contain the said annexure. Any shareholders desirous of obtaining a copy of the said annexure may write to the Company at the Registered office of the Company.

Conservation of Energy and Technology Absorption and Foreign Exchange Earning & Outgo

The Company has taken all possible measures for the conservation of energy by undertaking required steps. The information regarding the foreign exchange earnings and outgo is not applicable hence there is no such transactions.

Code of Conduct

In terms of requirement of Clause 49 of the listing Agreement, the Company has received certificate from all its senior management personnel and members of the Board about the compliance of code of conduct as laid down by the Board.

Directors' Responsibility Statement

Pursuant to Section 217(2AA) of the Companies Act, 1956 with respect to Directors' Responsibility, It is hereby confirmed that:

- (i) In presentation of the Annual Accounts, the applicable accounting standards have been followed with proper explanation relating to material departure.
- (ii) The accounting policies have been consistently applied and reasonable, prudent judgment and estimates are made so as to give true and fair view of the state of affairs of your Company as at 31st March 2009.
- (iii) The proper and sufficient care has been taken for the maintenance of adequate accounting records in accordance with the provision of the Companies Act, 1956 for safeguarding the assets of your Company and for preventing and detecting frauds and other irregularities.
- (iv) That the annual accounts of your Company have been prepared on going concern basis.

Auditors

M/s. Jajodia and Company, Chartered Accountants, Auditor of the Company, holds office until the conclusion of the ensuing annual General Meeting and is recommended for re-appointment and fixes their remuneration. Certificate from the Auditors has been received to the effect that their re-appointment, if made, would within the limits prescribed under section 224(1B) of the Companies Act, 1956.

Acknowledgements

The Directors wish to convey their appreciation to all of the Company's employees for their enormous personal efforts as well as their collective contribution to Company's record performance.

The Directors would also like to thank shareholders, customers, dealers, suppliers, bankers, financial institutions, Government authorities and all other business associates for the continued support given by them to the Company and their confidence in management.

By Order of the Board of Directors

Vijay P. Khowala

Director

Mumbai, the 20th day of June, 2009

Management Discussions and Analysis Forming Part of Director's Report for the year ended 31st March, 2009.

Global and Indian Scenario

As far as the current Global economic slow down & uncertainty is concern, it is widely believed according to the experts that it will last until 2011. However our Indian economy did not remain untouched from Global slow down but impact is not as grave as in other countries.

Industry Structure and Development

The Company caters the need of Building Construction field and other allied Labour work for allied connected work. The growth of housing is related to construction and as such it is also connected to core sector industries like Cement, Iron & steel and Housing finance. Since now Company is planning to enter into the filed of infrastructure development project through its associates on selective basis, it is belief that Company will be able to consolidate its position in the market despite of slowdown.

Opportunities & threats

The Company's main thrust is to satisfy the requirement of potential customer in timely manner and at reasonable price. To meet the demand of customers in the field of Infrastructure Project and entering in this field is a new challenge but Company wants to grab the opportunity in this field as Company is feels that it is entering in to the field at right time. The Company does foresee some threat in this field due to government policy as it should be favorable to other sector like banking, cement, Iron & steel on which this infrastructure industry is equally concerned.

Outlook

Despite the slowdown in Indian economy, now the indices of industry have started showing the recovery in all sectors. The chances of achieving the same growth rate may be possible if the sectors served by your Company achieve the same growth rate together with other connected sectors which are equally important such as Cement, Iron & steel and banking.

Risk and Concerns

The Company considers good corporate governance as a pre-requisite for meeting the needs and aspiration of its shareholders. The main risk to the Company which may arise is mainly due to Government policies and decisions, Fluctuations in prices of Raw materials, Exchange rate fluctuations, Investment decisions, banking finance, Demand etc.

Segment or Product wise Performance

The Company is operating in one segment known as construction activity. The product wise comparison is not possible as it is not producing the product but it is undertaking the project .Hence performance can be compared on project completion as such performance of the Company has to be seen in overall manner.

Internal control System and Their Adequacy

The Company has developed adequate internal control system commensurate to its size and business. The Company has in house Internal Auditors, to conduct the internal audit to ensure adequacy of internal control system, compliance of rules and regulations of the country and adherence to the management policies.

Financial Performance with respect to Operational Performance

The Company has registered a turnover of Rs. 92.19 Lacs and Profit before depreciation and a tax was Rs. 34.89 Lacs. The depreciation provided during the year was Rs 0.17 lacs and provision for taxes was Rs 5.10 Lacs, the net profit for the year after tax was Rs.29.63 lacs.

Human Resources

During the year, Company maintained harmonious and cordial industrial relations. No man days lost due to strike, lock out etc.

Disclosure by the Senior Management Personnel i.e. one level below the board including all HOD's

None of the senior Management Personnel has financial and commercial transaction with the Company, where they have personal interest that would have a potential conflict with the interest of the Company at large.

Report on Corporate Governance Forming Part of Director's Report

A Brief Statement on Company's philosophy on code of Corporate Governance

The Philosophy of the Company in relation to Corporate Governance is to ensure transparent disclosures and reporting that conforms fully to law, regulations and guidelines, and to promote ethical conduct throughout the organization with the primary objective of enhancing shareholders value while being a responsible corporate citizen. The Company firmly believes that any meaningful policy on the Corporate Governance must provide empowerment to the executive management of the Company and simultaneously create a mechanism of checks and balance which ensures that the decision making power vested in the executive management are used with care and responsibility to meet shareholders aspirations . The Company is committed to attain the highest standard of Corporate Governance.

Board of Directors

The total strength of the Board as on 31-03-2009 was five Directors as detailed herein below:

Sr. No.	Name	Designation	Category (whole time / Executive Non Executive /Independent)
1	Mr. Nitin S. Kedia	Chairman	Executive
2	Mr. Vijay Khawala	Wholetime Director	Whole time
3	Mr. Murlidhar Gupta	Director	Independent-Non Executive

Board Meetings and Annual General Meeting

During the financial year 2008-09, Five Board Meeting were held on 23rd June, 2008, 31st July, 2008, 31st October, 2008, 17th January, 2009, 31st March, 2009 and the Annual General Meeting was held on 12th August, 2008.

The attendance of each Director in the Board Meeting and Annual General meeting is detailed herein below

Name of Directors	No. of meetings held during the tenure of Director in FY 2008-09	No. of Board Meetings attended during FY 2008-09	Attendance at the AGM held on 12.08.2008
Mr. Nitin S. Kedia	5	5	Yes
Mr. Vijay Khawala	5	5	Yes
Mr. Murlidhar Gupta	5	5	Yes